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CONTACT REPORT

PROJECT: QKSKITCH

FILE: "

DATE OF REPORT: 7 January 52

Date of contact: 6 January Approximate length: 2 1/2 hrs

Present: Agent(s): RNSPLUNT

Case Officer(s): [initials]

(1) Agent submitted ___ written reports on (main subjects):

1. Final, corrected "schlussrechnung" for this project covering period from 1 December 1951 through 31 December 52. His figures are now in substantial agreement with ours; difference, at first glance, appears to be only 30 DM and, in fact, in our favor!
2. Separate, regular accounting for December - data also included in schlussrechnung as noted above.
3. Overt books of the Gesellschaft for Dec - these to be returned to him after inspection.
4. Copies of receipts for all brochure costs during life of project - to substantiate his own figures on this matter.

(2) Agent reported orally (summarize briefly; if detailed rept. necessary, submit on separate sheet and attach to this form:)

(Add to above item - received from agent)

5. Special report, prepared at my request, on his impressions of way this project has been handled and his suggestions as to how it might have been improved.
6. Returned financial work sheet data I had previously loaned him as aid in preparing his final accounts.

Agent reported:

1. Gesellschaft has not yet succeeded in finding a new source of funds to permit it to stay in operation. Bonn government definitely will not pick them up - neither Blank office nor Lenz. Bundesverband der Deutschen Industrie has eyes on election campaign and money for the coalition parties...but none for the Gesellschaft.
2. Sole favorable prospect at the moment is not an encouraging one. RNSPLUNT says Gen. Felix Steiner has informed Vorstand that he has hopes of getting money for them from the "Gesellschaft fuer Neue Staatspolitik" of Ulm. I am not familiar with background of this organization, but RNSPLUNT says it is a nationalistic/rightist group, critical of Adenauer, and politically ambitious. It would like to beef itself up with "front generation" recruits and ex-officers and, if possible, get into the Federal elections, perhaps by temporarily associating some of its people with the Deutsche Partei. If it thus gets any of its people into the Bundestag, idea would be to later have these split off from DP to form nucleus of a new radical rightist party - all this according to RNSPLUNT. He said that Steiner may very well be talking thru his hat (as he has often done) and that nothing may come of this. But if it should develop, SPLUNT said both he and Von Kleist would immediately quit the Gesellschaft - they want nothing to do with the Staats Politik group. I got the impression that others of the Vorstand probably...(See notes section)

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(3) Case Officer instructed Agent:

1. Since I was unable to draw the 6,915 DM needed to terminate this project at this meeting, as scheduled, I was forced to tell him that his termination salary for 3 months, plus that of the office secty. and the funds for terminating office rent contract would not be ready until January ~~14th~~ 16th: thus another meeting should be held on that date.
2. Told him I had done my best to see if he could fit into other work with us but that fact he is rather generally known or suspected of having had American contact made another assignment regrettably impossible. He took this very well, said he understood and "you are quite right" and thanked me for trying on his behalf.

(4) Case Officer gave Agent (payments, written instructions, forms, materials of my sort):

Nothing - except volume 5. of Churchill memoirs to complete set given him as Christmas present.

(5) Special remarks (including additional observations about Agent's person, security, etc.):

(6) Next meeting (date, hour, place -- if out of town): 16 January at Mannheim.

(7) NOTES: (Agent's comments - continued)

.....would go along simply as a means of keeping Gesellschaft in existence. (Shades of past history!)

NOTES

1. I cannot help but feel that Steiner is probably exaggerating his ability to raise enough money from Staatspolitik organization to keep the GfW active as an organization. Such a development as outlined above would be deplorable, but we are in no position now to do anything about it. My personal feeling is that the GfW will fold up completely within next month or two.
2. Final GfW brochure W on "Wehrkundliche Folgerungen aus dem Schicksal der Satellitenstaaten" was distributed between 16 Dec. and 24 December. (I will forward sample copies after final meeting).